

Misunderstood California law could protect your home's fire insurance. How does it work?

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Your insurance company may be required to maintain your fire coverage if you live in a high-risk area in California — but the law that protects your home can be misinterpreted, as was the case for a Shasta Valley resident after she received a premature notice her policy was canceled.

Senate Bill 824, authored by now California Insurance Commissioner Ricardo Lara, prohibits insurers from canceling or not renewing property insurance for one year after a wildfire state of emergency is declared.

The cancellation cannot be “based solely on the fact that the insured structure is located in an area in which a wildfire has occurred.”

WHAT DOES THE LAW MEAN?

Under the law, insurance companies must give homeowners one year of coverage after a wildfire state of emergency is declared in their area, and cannot issue a notice that they won't renew the policy within that time.

Under another insurance code in California, insurers must give a 75-day notice if they decide to not renew a policy.

Therefore, if your policy expired within the year-long moratorium, it must be renewed, because the insurer was not allowed to issue a non-renewal during that time and they also couldn't provide a 75-day notice.

Insurers can only properly issue a non-renewal after the moratorium is up, but even then, they must give you 75 days before your coverage is canceled.

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CALIFORNIA STATES OF EMERGENCY ISSUED IN 2021

Several counties were issued a wildfire state of emergency in 2021. They include the following:

Shasta County due to Fawn Fire – Sept. 27

Lake County due to Cache Fire – Sept. 7

Alpine, Amador and Placer counties due to Caldor Fire – Aug. 30

El Dorado County due to Caldor Fire – Aug 17

Trinity County due to McFarland and Monument fires; Tehama County due to McFarland and Dixie fires;

Shasta County due to McFarland Fire – Aug. 10

Siskiyou County due to Antelope Fire; Nevada and Placer counties due to River Fire – Aug. 5 Siskiyou County due to Lava Fire; Lassen and Plumas counties due to Beckwourth Complex Fire – July 16

Plumas County due to Dixie Fire and Fly Fire; Butte and Lassen counties due to Dixie Fire; Alpine County due to Tamarack Fire – July 23

MY INSURER UNLAWFULLY DROPPED MY COVERAGE. WHAT CAN I DO?

According to a Bee report, some insurance industry leaders have either interpreted the law differently or improperly. This resulted in one Shasta Valley resident receiving a letter from her insurer planning to drop her home's coverage before the one-year protection ended.

If your insurer unfairly canceled your wildfire policy or is not going to renew it, you can report it to the state at 800-927-4357. You can also report it online to the California Department of Insurance.

MY FIRE INSURANCE WAS FAIRLY DROPPED. WHAT CAN I DO NOW?

If your insurance company fairly canceled your policy — after the one-year protection and gave a 75-day

notice — you can find another insurer.

However, customers who've been dropped may face more expensive prices because the property demonstrates more of a risk, an official at an insurance trade organization told The Bee.

Typically, you can get a free quote for homeowner's insurance online at major companies, such as Statefarm and Allstate.

California also has a FAIR plan property insurance, which provides basic insurance to individuals who are unable to get coverage. But this protection is considered a "temporary safety net" until homeowners can get a traditional policy, and some customers have to get additional insurance from another retailer to up their coverage.

Individuals may opt to negotiate for a renewal with their current insurer, highlighting efforts to prevent fires, such as cleaning up brush and having a sprinkler system. Local fire departments and Fire Safe Councils offer inspections and documentation that may help homeowners negotiate.

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